

## Spending on luxury in tight times

Some can still say yes when beautiful things beckon, but just beyond pleasure are new glimmers of guilt.

By Carla Hall

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She walked into the Fred Segal store, that Melrose Avenue beacon of haute trendiness, and spied the Valentino bag. She hadn't really intended to shop, she says. She just went to pick up lunch.

"I'm a huge bargain hunter and any time I see a sale sign I'm easily distracted," said Rosabel Tao. So there was the bag -- a black leather bucket with flower detailing made of the same leather. It was \$600. "The saleswoman put this huge pressure on: 'It's a classic! You'll use it forever! We're only having this sale today. . . .'" And I'm a huge sucker. I'm like, 'You're right! It's a classic.' "

It took 15 minutes for her to decide to buy it last December. "But it was 70% off," noted Tao, 39, vice president of communications at a technology company that specializes in advertising. (And for those who get vertigo scaling the heights of these price ranges, \$600 was the price *after* the discount.)

It was just one of many sorties Tao would make between the end of 2008 and February of this year as she grabbed markdowns and saw her credit card totals for that period rise to \$7,000. ("But that's not all shopping," she insisted, estimating her retail tally at about \$4,000 -- about 50% more than she spent in a similar span the year before.)

Tao is that rare breed, a high-end shopper in the age of recession-spurred frugality. After the Fred Segal buy, she picked up two black silk jackets at a Ron Herman sale in January. "Right now, I'm in hot pursuit of gladiator sandals," she said several weeks ago.

Shopping for exquisite things you don't need -- but simply want -- would seem to be a pastime of a bygone era of bloated stock prices and housing values. Most department stores and luxury retailers have been crippled. Nordstrom reported a 13.5% drop in March sales compared with the previous year. Saks was down 23.6% and Neiman Marcus (which includes Neiman's and Bergdorf Goodman) was down 29.9%. Barneys New York does not publicly report but is thought by analysts to be suffering as well as budgets tighten.

Yet, for shoppers like Tao, the taste for high-end goods didn't vaporize along with the boom years -- and neither did the wherewithal (and imagination) to satisfy their appetite for luxury. For them, the gilded age continues, altered only by the glimmers of guilt that come with good fortune in bad times. The discomforts of the economic meltdown are muted, and desire can still be answered with a flash of plastic.

An L.A. woman who left her job at a nonprofit (but whose husband works in the television industry) spent just shy of \$1,500 on a pair of Christian Louboutin boots during a recent trip to Las Vegas. The private, appointment-only Newport Beach jeweler Lugano Diamonds, has sold a couple of diamond necklaces for a low-six-figure price since the beginning of the year, a store executive said. And the proprietor of DeLuscious Cookies & Milk reports a surge in her online business, not among companies but among individuals willing to spend \$50 for a dozen cookies plus the cost of having them whisked out of the oven and shipped overnight in-state. (Customers with emergency cookie cravings pay a \$10 rush fee.)

"I still have the means to buy certain things and I'm buying them," said Contessa Mankiewicz, 33, who went on the shopping expedition in Vegas. "While I'm being much more disciplined," she said -- meaning no more weekly shopping trips to Neiman Marcus -- "there are things that are so beautiful or things I consider forever items, and I have no trouble buying them.

"Your life can't completely end because of the economy," she said. "How depressing would that be?"

### **'Tortured' purchases**

Neither Mankiewicz nor Tao is wealthy by the standards of the high-end retailers who court them (that would take at least \$1 million in assets beyond equity in a house). But both describe themselves as comfortable, and neither has children to factor into a budget.

In these post-boom months, not much has changed economically for Tao, who owns a spacious condo in Brentwood that she bought several years ago. "I definitely feel like I have a pretty good job, and I'm single," she said, noting she has only herself to support. Still, there's no escaping the steady drumbeat of news about the economy. "It's everywhere -- every newspaper, every magazine, every show," said Tao, who clamped a shopping moratorium on herself sometime in February -- just before her company laid off some employees.

"At the time I did the shopping, I didn't know the layoffs were coming," she said. "If I had, I probably wouldn't have done it. In fact, I knew I shouldn't have been doing the shopping I did -- but I would have been more careful. . . . It definitely seems tacky now to have conspicuous consumption. I know so many people who are laid off and there is so much uncertainty."

But she toggles between guilt over what she thinks she should be doing and the desire to acquire. "I'm a tortured shopper," she said ruefully. She recently emerged from her shopping moratorium to buy not the gladiator sandals she had been lusting after but two pairs of handmade shoes by Elisa Ferare. (Total damage: \$700.)

"Later, I was like, 'Oh, man, why did I do that?' " she lamented. But, she added, "They were wholesale."

Whatever remorse she feels, it doesn't make her want to hide her shopping. She feels no hesitation about walking out of stores with her purchases in hand. After all, she's had plenty of company: "At these sales, there were a lot of people."

It helps that L.A. isn't like New York City, where shoppers must emerge from the store laden with shopping bags and do the perp walk of profligacy down a crowded sidewalk.

Mankiewicz does feel guilty about flashing her finds in front of the housekeeper who cleans the Westside town house she shares with her husband. "I have racks for shoes and boxes. I will turn around the boxes that are particularly expensive when she comes," she said, explaining that she turns the side marked with the price toward the wall of the closet so it doesn't show. "I know she's having a tough time -- she told me. You can't have an \$800 box of shoes showing."

Others worry about flaunting their acquisitions in front of friends with financial difficulties. After one San Diego woman's husband bought her a \$43,000 platinum and diamond Rolex as an early Christmas gift, she told only three people about it (and two were her bookkeeper and her daughter.) If anyone mentions it, she downgrades the metal. "When people say, 'Oh, nice watch' and they ask what it is, I say, 'Oh, it's white gold,' " said the woman, who owns a public relations firm. She asked not to be named for security reasons -- and because, she admits, she's reluctant to talk publicly about such an extravagance. "I know countless people who have lost their jobs," she said. "It's just not the time to be showing off."

Some shoppers are just trading their conspicuous consumption for inconspicuous consumption -- online shopping. The website [Gilt Groupe](#), which started in late 2007 and offers discounted designer goods, has seen a steady increase in sales and demand for its free memberships.

"It's a lot more chic to be saying, 'I'm cutting back,' " said Alexis Maybank, a Gilt co-founder. "You see a lot of people seeking privacy in their shopping, but they're still shopping. You see people moving to online sites."

That won't work for Brinley Turner, who said she's trying to revamp her shopping habit by using mostly cash or checks. But she still loves to shop. "I think it's about the chase," said Turner, 36, a former CBS executive who is the mother of two young children.

She worked hard to acquire her own luxuries, like the Hermès Birkin bag she purchased several years ago. ("I think it was like \$6,000. Something insane.") But since then she has quit her job and started a new online venture. Her husband's insurance business is doing fine, but both of them have curbed their spending as the recession whittled their investments. "My 401 (k) -- when the statement comes, I just tear it up," said Turner, who lives in a house on the Westside and is facing an annual tuition bill of "20 something" when her son goes off to kindergarten soon.

Never a big sale shopper -- "everything seems so picked over" -- she instead has focused on one big purchase and figured out a creative way to buy it. When the holidays came around, she suggested friends and family give her gift cards to Neiman-Marcus to help her finance the purchase of a \$2,100 Chanel bag she craved. "They looked at me like I was a nut job, but it's what I really want," Turner said. She hasn't met her goal, but, she said, "I think I'm close."

**'What's meant to be'**

Like many shoppers, she still does the dance of resisting and succumbing to objects of desire. After months of working on preparations for an elaborate auction she was chairing for her son's preschool, Turner spied the perfect Christian Louboutin red satin heels to wear to the event. "Beautiful, hot, sexy, shoes. Four-inch heels," she said. When she first found them at one store, they didn't have her size. She could have ordered them from several online purveyors but she abstained. "I said, 'I'm not ready to spend \$900 on shoes.'" Then, three weeks before the auction, she wandered into Neiman Marcus and saw them. Did they have her size, she asked? Why yes, they did. She bought them. "What's meant to be is meant to be," she said contentedly.

Mankiewicz, who now writes a fashion blog ([afteraudrey.blogspot.com](http://afteraudrey.blogspot.com)) and consults for a women's advocacy group, talks about her \$1,485 boots ("that cost more than my first car") as if they were utility company stocks: "It's about perceived value and what I think will keep value," she said.

"Sometimes I feel like I'm insulting the gods when there are people who are starving and I'm spending this amount of money on boots. And then I think it's better to buy the great pair of boots you want rather than buying a different \$200 pair of boots every year. It feels more responsible environmentally. Absolutely! People think I'm joking when I say that."

Mankiewicz says she has always believed in buying the best quality with what money you have. And she holds to that.

Since the beginning of the year, she has acquired four pairs of Christian Louboutin heels, one of which she picked up at the Barneys Warehouse Sale for \$260, a fire-sale price for Louboutins. ("Bananas!" she said at the memory of the score.) All are in neutral colors -- bone, black, navy. "I know I will wear them for years; these things are staples," she said. "If you're going to spend more than \$400 on an item, you should be able to wear it for years. That's the Midwesterner in me. I didn't come from affluence."

She concedes that her husband, Ben, finds all this spending excessive and unnecessary. "He hates the term 'investment dressing,'" she said, referring to the rationale she likes to use. But the bottom line is that she and Ben, the weekend host of Turner Classic Movies and the co-host of the syndicated TV show "At the Movies," can afford it.

"I've tried to make myself feel guilty, but I can't," she said. "I joke to Ben, 'If worse comes to worst, we can always auction off my closet.'"